

Salary Increase Scenarios

May 15, 2018

Renee Weatherless
Executive Director, Finance

Topics of Discussion:

- ❖ Guidance presented by ASBA, AASBO, ASA
 - ❖ Legislative Intent
 - ❖ Definition of Teacher
 - ❖ Additional Reporting Requirements
- ❖ Salary Increase Scenarios
- ❖ Salary Schedule Impact

Legislative Intent

- “The basic state aid appropriation for fiscal year 2018-2019 includes \$273,706,100, which the Legislature and Governor intend to be used for teacher salary increases.”
- “It is the intent of the Governor and the Legislature that school districts should increase the total percentage of classroom spending over the previous year’s percentages in the combined categories of instruction, student support and instructional support as prescribed by the Auditor General.”
- “A school district or other entity that receives additional funding in fiscal years 2018-2019, 2019-2020, and 2020-2021 as a result of this act may use the additional monies for increased teacher compensation in fiscal years 2018-2019, 2019-2020, and 2020-2021.”

School boards will need to balance various factors when determining how to increase teacher compensation.

- Existing class sizes and the possible need to hire more teachers
- Teacher turnover, especially among new teachers
- Increase by a percentage or a specific amount
- Increasing costs of health care benefits

School boards should be transparent in their decision making so that teachers, staff, parents and the community know how teacher compensation is fitting the needs of students.

Possible Definitions of Teacher

- HB2663 does not define “teacher”
- Three possible definitions of “teacher”:
 - FY2018 budget definition— Any person eligible to be included as a teacher on a district’s FTE count submitted with its annual financial report, whose salary was paid under function code 1000 (Instruction)
 - Statutory Definition in A.R.S. 15-901(B)(5) “Certified teacher” means a person who is certified as a teacher pursuant to the rules adopted by the state board of education, who renders **direct and personal services to schoolchildren in the form of instruction** related to the school district’s educational course of study and who is paid from the maintenance and operation section of the budget.

Possible Definitions of Teacher, cont'd

- Classroom Site Fund Definition [A.G. Opinion I01-014](#)—“teacher” not limited to traditional classroom teachers. “School districts and charter schools may use such funds for compensation increases for certified or certificated teachers and others employed to provide instruction to students related to the school's educational mission.” An employee who receives base compensation from Prop. 301 monies would also be eligible to receive a salary increase as a teacher.
- Boards would likely meet the Legislature’s intent by using any of these three.

Additional Reporting Requirements

- Applies to both districts and charters
- ADE and AG will update budget worksheets to reflect changes
- In addition, districts and charters are required to post on their websites:
 - Average salary of all teachers employed for the current year
 - Average salary of all teachers employed for the previous year
 - The dollar increase in the average salary of all teachers
 - The percentage increase in the average salary of all teachers
- ADE will report teacher salary information to the Legislature (JLBC) and the Governor's Office by November 30th.



Additional Funding for Teacher Salaries

\$11,295,903
New funding

Budget Factors

New 5/8/18

FY19 Budget Additions:

FY19 Inflation of 1.8% added to BSL	+ 4,014,540
FY19 Teacher Salary 10% added to BSL	+ 12,745,701
New District Additional Assistance (\$95M x 4%)	+ 3,800,000
Teacher Experience Index Reduction -0.1%	(197,818)
Avg. Daily Membership -2%*	(4,330,926)

Add On Adjustments not available in FY19:

FY18 Carryover from FY17	(4,396,449)
FY18 1.06% Teacher Raise	(1,449,798)
Net Increase to M&O & Capital Combined	+10,185,250

Scenario 1 – All new funding meets legal intent

All \$11,295,903 distributed to Certified Non-Admin Staff in the amount of **\$3,000** prorated for 1.0 FTE

	Added to Salary	FTE		Additional Salary		Additional Salary w/Benefits	
		TDR A	TDR B	TDR A	TDR B	TDR A	TDR B
TEA 9.5 months	\$3,000	2,708.70	219.20	8,126,100	657,600	9,751,320	789,120
RTW	\$2,250	134.20	-	301,950	-	362,340	-
Leased 9.5 months	\$2,205	32.70	35.40	72,104	78,057	86,524	93,668
TEA 10.5 months	\$3,246	-	77.50	-	251,588	-	301,906
Leased 10.5 months	\$2,435	0.50	8.50	1,217	20,695	1,461	24,834
Total		2,876.10	340.60	8,501,371	1,007,940	10,201,645	1,209,528
Certified Increase						\$	11,411,174

Return to Work (RTW) TUSD Employees = 75% of TEA, Leased = 73.5% of TEA

Scenario 1 – All new funding meets legal intent

All \$11,295,903 distributed to Certified Staff in the amount of **\$3,000** added to the base salary

Salary Schedule	TDR(A) Base	New Base	%	TDR (B) Base	New TDR(B) Base	%
Step 1	\$32,300	\$35,300	9.3%	\$34,900	\$37,900	8.6%
Step 2	\$32,800	\$35,800	9.1%	\$35,400	\$38,400	8.5%
Step 3	\$33,300	\$36,300	9.0%	\$35,900	\$38,900	8.4%
Step 4	\$33,800	\$36,800	8.9%	\$36,400	\$39,400	8.2%
Step 5	\$34,300	\$37,300	8.7%	\$36,900	\$39,900	8.1%
Step 24	\$43,800	\$46,800	6.8%	\$46,400	\$49,400	6.5%

Scenario 2 – Funding is allocated to Teachers and Support Staff

All \$11,295,903 distributed to Non-Exempt Support Staff as a 2% increase and the Balance to Certified Non-Admin

	Additional Salary w/Benefits
AFSCME	\$571,024
CWA	\$189,544
Non-Bargaining	\$111,484
White Collar	\$973,358
TEA	\$9,450,493
Total New Funding	\$11,295,903

Adding \$9,450,493
Certified Non-Admin would
receive the equivalent of
\$2,485
added to base salary
prorated for 1.0 FTE

Scenario 2 – Funding is allocated to Teachers and Support Staff

Adding \$9,450,493 distributed to Certified Non-Admin Staff in the amount of **\$2,485** prorated for 1.0 FTE and all Non-Exempt Support Staff receives 2% increase

	Added to Salary	FTE		Additional Salary		Additional Salary w/Benefits	
		TDR A	TDR B	TDR A	TDR B	TDR A	TDR B
TEA 9.5 months	\$2,485	2,708.70	219.20	6,729,864	544,610	8,075,837	653,533
RTW	\$1,863	134.20	-	250,069	-	300,082	-
Leased 9.5 months	\$1,826	32.70	35.40	59,715	64,645	71,658	77,574
TEA 10.5 months	\$2,689	-	77.50	-	208,360	-	250,032
Leased 10.5 months	\$2,016	0.50	8.50	1,008	17,139	1,210	20,567
Total		2,876.10	340.60	7,040,656	834,755	8,448,787	1,001,706
Certified Increase						\$	9,450,493

Return to Work (RTW) TUSD Employees= 75% of TEA, Leased = 73.5% of TEA

Scenario 2 – Funding is allocated to Teachers and Support Staff

Adding \$9,450,493 distributed to Certified Non-Admin Staff in the amount of **\$2,485** prorated for 1.0 FTE and all Non-Exempt Support Staff receives 2% increase

Salary Schedule	TDR(A) Base	New Base	%	TDR (B) Base	New TDR(B) Base	%
Step 1	\$32,300	\$34,785	7.7%	\$34,900	\$37,385	7.1%
Step 2	\$32,800	\$35,285	7.6%	\$35,400	\$38,400	7.0%
Step 3	\$33,300	\$35,785	7.5%	\$35,900	\$38,900	6.9%
Step 4	\$33,800	\$36,285	7.4%	\$36,400	\$39,400	6.8%
Step 5	\$34,300	\$36,785	7.2%	\$36,900	\$39,900	6.7%
Step 24	\$43,800	\$46,285	5.7%	\$46,400	\$49,400	5.4%

Scenario 3 – 10% increase to Teacher base salary

All \$11,295,903 distributed to Certified Non-Admin as a 10% increase to the base salary

	Additional Salary w/Benefits
TEA 9.5 months	\$13,430,807
Return to Work	\$641,480
Leased 9.5 months	\$318,995
TEA 10.5 months	\$440,079
Leased 10.5 months	\$44,610
Total	\$14,875,970

A 10% increase to the base salary for TDR(A) and TDR(B) would exceed new funding by **-\$3.6 million**

Return to Work (RTW) TUSD Employees= 75% of TEA, Leased = 73.5% of TEA

Scenario 3 – 10% increase to Teacher base salary

All \$11,295,903 distributed to Certified Non-Admin as a 10% increase to the base salary

Salary Schedule	TDR(A) Base	New Base	%	TDR (B) Base	New TDR(B) Base	%
Step 1	\$32,300	\$35,530	10.0%	\$34,900	\$38,390	10.0%
Step 2	\$32,800	\$36,080	10.0%	\$35,400	\$38,940	10.0%
Step 3	\$33,300	\$36,630	10.0%	\$35,900	\$39,490	10.0%
Step 4	\$33,800	\$37,180	10.0%	\$36,400	\$40,040	10.0%
Step 5	\$34,300	\$37,730	10.0%	\$36,900	\$40,590	10.0%
Step 24	\$43,800	\$48,180	10.0%	\$46,400	\$51,040	10.0%